



**U.S. Department of Justice**

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**For Immediate Release:**

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**EVENT: Indictment**

**Defendant: Fadi Mohamad-Musbah Hammoud, et al**

**NINETEEN CHARGED WITH RACKETEERING  
TO SUPPORT TERRORIST ORGANIZATION**

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A Federal Grand Jury in Detroit charged nineteen individuals with operating a global racketeering conspiracy in an indictment unsealed today, announced United States Attorney Stephen J. Murphy. The indictment alleges that portions of the profits made from the illegal enterprise were given to Hizballah, a foreign terrorist organization. Nine of the individuals were arrested this morning.

U. S. Attorney Murphy was joined in the announcement by Daniel D. Roberts, Special Agent in Charge of the Detroit FBI; Valerie J. Goddard, Special Agent in Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives; Brian M. Moskowitz, Special Agent in Charge, U.S. Immigration and Customs Enforcement, Maurice Aouate, Special Agent in Charge of the Detroit Field Office of the Internal Revenue Service Criminal Investigation; and Michael Cleary, Special Agent in Charge, FDA-Office of Criminal Investigation.

The indictment charges that between 1996 and 2004, a group of individuals worked together in a criminal enterprise to traffic in contraband cigarettes, counterfeit Zig Zag rolling papers and counterfeit Viagra, to produce counterfeit cigarette tax stamps, to transport stolen

property, and to launder money. The enterprise operated from Lebanon, Canada, China, Brazil, Paraguay and the United States. The indictment, returned by a federal grand jury on April 14, 2004, was sealed pursuant to a court order until today.

Arrested this morning by members of the Detroit Joint Terrorism Task Force ("JTTF") were: Karim Hassan Nasser, 37, of Windsor, Ontario; Fadi Mohamad-Musbah Hammoud, 33, of Dearborn; Majid Mohamad Hammoud, 39, of Dearborn Heights; Jihad Hammoud, 47, of Dearborn; Youssef Aoun Bakri, 36, of Dearborn Heights; Ali Najib Berjaoui, 39, of Dearborn; Mohammed Fawzi Zeidan, 41, of Canton; Imad Majed Hamadeh, 51, of Dearborn Heights; Adel Isak, 37, of Sterling Heights

Also named in the Indictment, but not arrested today because they currently reside outside of the United States were: Imad Mohamad-Musbah Hammoud, 37 of Lebanon, formerly of Dearborn; Hassan Ali Al-Mosawi, 49, of Lebanon; Hassan Hassan Nasser, 36, of Windsor, Ontario; Ali Ahmad Hammoud, 64, of Lebanon; Karim Hassan Abbas, 37, formerly of Dearborn; Hassan Mohamad Srour, 30, of Montreal, Quebec; Naji Hassan Alawie, 44, of Windsor, Ontario; and Abdel-Hamid Sinno, 52, of Montreal, Quebec.

Theodore Schenk, 73, of Miami Beach, Florida was not arrested today but will be voluntarily surrendering himself for arraignment on April 10, 2006.

The indictment alleges that Imad Hammoud, along with his partner, Hassan Makki, ran a multi-million dollar a year contraband cigarette trafficking organization headquartered in the Dearborn, Michigan, area between 1996 and 2002. Makki pleaded guilty in 2003 in federal district court in Detroit to racketeering and providing material support to Hizballah. Some of the cigarettes were supplied to the organization by Mohamad Hammoud, who was convicted in 2002 in federal district court in Charlotte, North Carolina, of, among other crimes, racketeering and providing material support to Hizballah. Makki and Mohamad Hammoud, who were not charged in the indictment unsealed today, were identified as unindicted co-conspirators. They both are currently serving prison sentences relating to their activities in this matter.

The indictment charges that the group would obtain low-taxed or untaxed cigarettes in North Carolina and the Cattaraugus Indian Reservation in New York and bring them into Michigan and the State of New York for the purpose of evading tens of millions in state cigarette taxes. The enterprise obtained large profits by reselling the cigarettes at market prices in Michigan and New York. The enterprise sometimes used counterfeit tax stamps to make it appear that the state taxes had been paid.

The indictment charges that portions of the profits made from the illegal enterprise were

given to Hizballah. Some members of the enterprise charged a "Resistance Tax," being a set amount over black market price per carton of contraband cigarettes, which their customers were told would be going to Hizballah. Some members of the enterprise also solicited money from cigarette customers for the orphans of martyrs program run by Hizballah in Southern Lebanon to support the families of persons killed in Hizballah suicide and other terrorist operations.

The U.S. Secretary of State has designated Hizballah a foreign terrorist organization. An entity may be designated as a foreign terrorist organization if the Secretary of States finds that: (1) the organization is a foreign organization; (2) the organization engages in terrorist activity; and (3) the terrorist activity of the organization threatens the security of United States nationals or the national security of the United States.

"Fighting terrorism and keeping our citizens safe from its reach are the number one priorities of this Office. The law enforcement agencies involved in the case unsealed today must be applauded for their collective effort to bring together an investigation with this sort of global reach," U.S. Attorney Murphy said. "Together, we will use all of the legal tools available to us to disrupt criminal activity that funds terrorist organizations."

Daniel D. Roberts, Special Agent in Charge, Federal Bureau of Investigation (FBI), Detroit Michigan advised "The FBI's Joint Terrorism Task Force (JTTF) will continue to aggressively identify, investigate and dismantle these criminal enterprises operating in the United States, as well as the rest of the world when their profits are used to support a foreign terrorist organization such as Hizballah."

"Investigating contraband cigarette trafficking has been, is, and will continue to be a top priority for ATF, particularly when there is nexus to a known terrorist organization such as Hizballah," stated Special Agent in Charge Valerie J. Goddard, ATF Detroit.

According to Brian M. Moskowitz, Special Agent in Charge of the Immigration and Customs Enforcement, Office of Investigations in Detroit, "ICE will continue to work with other law enforcement agencies to dismantle criminal organizations. Racketeering is a serious crime and ICE will continue to investigate those who exploit our borders to facilitate their criminal enterprise."

The FDA Office of Criminal Investigation under the direction of Special Agent in Charge Michael E. Cleary, Chicago Field office remains committed to working with their partners in law enforcement to protect the public's health and safety.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a

fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

In announcing the indictment, United States Attorney Stephen J. Murphy commended the work of the FBI, the Bureau of Alcohol, Tobacco, Firearms and Explosives, Special Agents of the Bureau of Immigration and Customs Enforcement, the Internal Revenue Service, the Food and Drug Administration, Michigan State Police and the Dearborn Police Department. The case is assigned to Assistant U.S. Attorneys Kenneth Chadwell and Barbara McQuade.